



# Senate

General Assembly

**File No. 9**

February Session, 2006

Senate Resolution No. 8

*Senate, March 8, 2006*

The Senate Committee on Appropriations reported through SEN. HARP of the 10th Dist., Chairperson of the Committee on the part of the Senate, that the resolution ought to be adopted.

**RESOLUTION PROPOSING APPROVAL OF A COLLECTIVE BARGAINING AGREEMENT BETWEEN THE BOARD OF GOVERNORS FOR HIGHER EDUCATION AND THE CONNECTICUT DEPARTMENT OF HIGHER EDUCATION ADMINISTRATORS.**

Resolved by the Senate:

- 1 That the collective bargaining agreement between the Board of
- 2 Governors for Higher Education and the Connecticut Department of
- 3 Higher Education Administrators, AFSCME Local 1588, effective July
- 4 1, 2006, to June 30, 2010, inclusive, signed by the parties January 18,
- 5 2006, and submitted to this assembly February 14, 2006, for approval,
- 6 as provided in subsection (b) of section 5-278 of the general statutes, is
- 7 approved.

**APP** Senate Favorable

The following fiscal impact statement and bill analysis are prepared for the benefit of members of the General Assembly, solely for the purpose of information, summarization, and explanation, and do not represent the intent of the General Assembly or either House thereof for any purpose:

### **OFA Fiscal Note**

#### **State Impact:**

Agency Affected	Fund-Effect	FY 07 \$	FY 08 \$	FY 09 \$
Higher Ed., Dept.	All Funds - Cost	119,438	255,659	402,992
Higher Ed., Dept.	GF - Cost	97,931	206,367	324,496

Note: All Funds=All Funds; GF=General Fund

**Municipal Impact:** None

#### **Explanation**

This collective bargaining agreement for the Department of Higher Education Administrators' bargaining unit is submitted for approval for the four-year period July 1, 2006 through June 30, 2010. It includes a FY 07 reopener and three new contract years. Costs shown above are for the 39.975 all funds full-time equivalents covered by this contract, including 30.375 General Fund full-time equivalents. The estimated FY 10 cost of this agreement is \$547,279 for all funds, of which \$440,030 is for the General Fund. The estimated annualized FY 10 cost is \$574,246 for all funds, of which \$460,761 is for the General Fund. Details of the costs are attached.

This agreement provides wage increases that are generally in line with increases for other collective bargaining agreements and arbitration awards for the same time period. This bargaining unit is the first to settle for FY 10. The Governor's FY 07 recommended midterm budget adjustments include funding in the Reserve for Salary Adjustments account to cover the cost of this agreement.

## Cost Estimate of Agreement

### All Funds

Department of Higher Education Administrators' Bargaining Unit  
 Agency Affected: Department of Higher Education  
 Term of Contract: Four years, July 1, 2006 through June 30, 2010  
 Number of Full-Time Equivalents Affected by Contract:

30.375 General Fund  
9.600 Other Funds  
**39.975 Total**

### Average Full-Time Salary Data:

		Percent Increase (Cash Basis)			
	Salary	Total	General Wage Increase	Salary Increase in Lieu of Annual Increments	Other
Prior to Contract	\$67,325				
Reopener (FY 07)	70,107	4.13%	2.85%	0.69%	0.59%
1st Year of Contract (FY 08)	72,628	3.60%	2.85%	0.65%	0.10%
2nd Year of Contract (FY 09)	75,378	3.79%	2.85%	0.62%	0.32%
3rd Year of Contract (FY 10)	78,040	3.53%	2.85%	0.60%	0.08%

		Percent Increase (Annualized Basis)			
	Salary	Total	General Wage Increase	Salary Increase in Lieu of Annual Increments	Other
Prior to Contract	\$67,325				
Reopener (FY 07)	70,715	5.04%	2.96%	1.49%	0.59%
1st Year of Contract (FY 08)	73,878	4.47%	2.96%	1.41%	0.10%
2nd Year of Contract (FY 09)	77,297	4.63%	2.96%	1.35%	0.32%
3rd Year of Contract (FY 10)	80,653	4.34%	2.97%	1.29%	0.08%

**Cost Summary Data (Estimated):**

	Prior to Contract	At End of Contract Annualized	Percent Increase (four years)
Salaries[1]	\$ 2,691,300	\$ 3,224,738	19.8%
Fringe Benefits[2]	<u>902,100</u>	<u>993,958</u>	10.2%
Total	\$ 3,593,400	\$ 4,218,697	17.4%

4.10% average per year (compounded)

[1] Salaries include base salary, longevity payments and merit pool.

[2] Fringe Benefits include Social Security, normal cost of pension contributions, and health and life insurance.

## Detail of Cost Estimates

### All Funds

Contract Items	FY 07[1]	FY 08[1]	FY 09[1]	FY 10[1]	Annualized FY 10[1]
<b>Reopener (FY 07)</b>					
3% General Wage Increase Effective 6/23/06 (25 pay periods)	\$ 76,630	\$ 79,695	\$ 79,695	\$ 79,695	\$ 79,695
\$1,000 Salary Increase in Lieu of Annual Increments Effective 12/22/06 (12 pay periods)	18,450	39,975	39,975	39,975	39,975
Longevity Pay Increase	15,671	15,671	15,671	15,671	15,671
Merit Pool Pay	200	200	200	200	200
<b>Total Reopener</b>	<b>\$ 110,950</b>	<b>\$ 135,541</b>	<b>\$ 135,541</b>	<b>\$ 135,541</b>	<b>\$ 135,541</b>
<b>First Year (FY 08)</b>					
3% General Wage Increase Effective 6/22/07 (25 pay periods)		\$ 80,540	\$ 83,761	\$ 83,761	\$ 83,761
\$1,000 Salary Increase in Lieu of Annual Increments Effective 12/21/07 (12 pay periods)		18,450	39,975	39,975	39,975
Longevity Pay Increase		2,760	2,760	2,760	2,760
Merit Pool Pay		200	200	200	200
<b>Total First Year</b>		<b>\$ 101,950</b>	<b>\$ 126,697</b>	<b>\$ 126,697</b>	<b>\$ 126,697</b>
<b>Second Year (FY 09)</b>					
3% General Wage Increase Effective 6/20/08 (25 pay periods)			\$ 84,194	87,562	\$ 87,562
\$1,000 Salary Increase in Lieu of Annual Increments Effective 12/19/08 (12 pay periods)			18,450	39,975	39,975
Longevity Pay Increase			9,272	9,272	9,272
Merit Pool Pay			200	200	200
<b>Total Second Year</b>			<b>\$ 112,117</b>	<b>\$ 137,009</b>	<b>\$ 137,009</b>
<b>Third Year (FY 10)</b>					
3% General Wage Increase Effective 6/19/09 (25 pay periods)				\$ 88,147	\$ 91,672

<b>Contract Items</b>	<b>FY 07[1]</b>	<b>FY 08[1]</b>	<b>FY 09[1]</b>	<b>FY 10[1]</b>	<b>Annualized FY 10[1]</b>
\$1,000 Salary Increase in Lieu of Annual Increments Effective 1/1/10 (12 pay periods)				18,450	39,975
Longevity Pay Increase				2,344	2,344
Merit Pool Pay				200	200
<b>Total Third Year</b>				<b>\$ 109,141</b>	<b>\$ 134,191</b>
 <b>Total Reopener and Contract Items</b>	 <b>\$ 110,950</b>	 <b>\$ 237,491</b>	 <b>\$ 374,354</b>	 <b>\$ 508,387</b>	 <b>\$ 533,438</b>
Social Security Costs	8,488	18,168	28,638	38,892	40,808
<b>Total Cost of Reopener and Contract</b>	<b>\$ 119,438</b>	<b>\$ 255,659</b>	<b>\$ 402,992</b>	<b>\$ 547,279</b>	<b>\$ 574,246</b>
 <b>Estimated General Fund Cost</b>	 <b>\$ 97,931</b>	 <b>\$ 206,367</b>	 <b>\$ 324,496</b>	 <b>\$ 440,030</b>	 <b>\$ 460,761</b>

[1] This cost analysis is based on annual costs equaling the payment of 26 payrolls.

Notes:

[1] This agreement allows bargaining unit members carry over up to 75 vacation days (10 per year). Prior to this agreement, bargaining unit members were allowed to carry over 60 vacation days per year.

[2] This agreement allows bargaining unit members five family sick leave days per year. The previous agreement allowed three family sick days per year.

[3] The prior agreement, effective July 1, 2003, through June 30, 2007, included a no layoff provision, except for programmatic reductions. This provision is included in the current agreement; however the provision expires on June 30, 2007.

[4] This agreement provides for semi-annual longevity payments determined by applying the percentage corresponding to the years of service to the minimum salary range of the employee. Longevity payments in the prior contract were based on set dollar amounts determined by title and years of service.

Years of Service	Percentage
10 - 14	2.0%
15 - 19	3.5%
20 - 25	5.0%
over 25	6.5%

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**OFA Bill Analysis****SR 8**

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**SUMMARY:**

A separate analysis is not prepared since the fiscal note contains much of the same information that would go into a separate analysis.

EFFECTIVE DATE: Upon passage

**COMMITTEE ACTION**

Appropriations Committee

Senate Favorable Report

Yea 9      Nay 0